

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**SB 230 – HB 910**

May 9, 2017

**SUMMARY OF ORIGINAL BILL:** Eliminates the administrative allocation of the gasoline tax, motor fuel tax, and gasoline inspection tax to the General Fund.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue – \$11,999,800/Highway Fund

Decrease State Revenue – \$14,600,000/General Fund

Increase Local Revenue – \$2,600,200

**SUMMARY OF AMENDMENT (008751):** Deletes all language after the enacting clause. Increases the distribution of gasoline tax revenue to the Wildlife Resources Fund (WRF), from 0.1074 percent to 0.5344 percent in FY17-18 and subsequent years. Removes the requirement that such funding be used exclusively in the administration of the Boating Safety Act of 1965, and establishes that no portion of the revenue generated from the gasoline tax increase imposed by the IMPROVE Act, if enacted, shall not be allocated to the WRF. Increases the distribution of gasoline tax revenue to counties, from 28.60 percent to 28.68 percent, and to municipalities, from 14.30 percent to 14.38 percent.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

Increase State Revenue – \$2,290,100/Wildlife Resources Fund

Decrease State Revenue – \$1,768,200/Highway Fund  
\$45,800/General Fund

Decrease Local Revenue – Net Impact – \$476,000

Assumptions for the bill as amended:

- Annual gasoline tax allocation to the WRF is estimated to be \$576,007 in FY17-18 and subsequent years under current law.
- Based on information provided by the Department of Revenue, the proposed legislation is estimated to increase such allocation to the WRF by \$2,290,086 in FY17-18 and subsequent years.
- This proposed increase in WRF allocation and the proposed increase to county and municipality allocations will result in a recurring decrease in revenue of \$1,768,246 to the Highway Fund and \$45,802 to the General Fund, and a net recurring decrease in revenue of \$476,038 to the local government.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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